Credit flow to SSIs

3084. SHRIMATI BIMBA RAIKAR: Will the Minister of SMALL SCALE INDUSTRIES be pleased to state:

(a) whether the public sector banks have declined the request of his Ministry for access by SSI units to a fixed portion of priority sector lending;

(b) whether an alternate suggestion was put forth to the public sector banks atleast to effect an increase of 10 per cent every year in lending to SSI units;

(c) whether credit flow ot SSI units as percentage of net bank credit has decreased from 15.6 per cent in 1999 to 11.2 per cent during April-September 2002; and

(d) if so, the proposal mooted by Government to increase the credit flow to SSI sector?

THE MINISTER OF STATE OF THE MINISTRY OF SMALL SCALE INDUSTRIES (SHRI TAPAN SIKDAR): (a) and (b) Considering the concerns regarding the declining trend of the percentage of SSI advacnes to Net bank Credit of Public Sector Banks, the Planning Commission convened a meeting on 10th December, 2002 under the Chairmanship of the Deputy Chairman to discuss various issues relating credit flow to SSI sector. As a follow up, the meeting of the Reserve Bank of India (RBI)'s Standing Advisory Committee on Flow of Institutional Credit to SSI sector was held on 15th January, 2003 in which the issue of fixing of a sub-target for the SSI sector within the priority sector was also discussed. It emerged that fixing a definite sub-target for SSI sector would have the effect of crowding out the residual sectors within the priority sector. Based on the decisions taken in this meeting, the RBI has advised the banks to consider budgeting their growth in advances to SSI sector keeping in view the trends in growth of net bank credit less food credit.

(c) As per the information received from the RBI, while the quantum of credit flow to the SSI sector has gone up over the years, the percentage of total SSI advances to Net Bank credit has come down. The percentage of SSI advances to Net bank credit has decreased from 15.6 per cent as at the end of March, 2000 to 12.5 per cent as at the end of March, 2002.

(d) The various policy initiatives taken to enhance the flow of credit to SSI include enhancement of working capital limit computed on the basis of minimum of 20% of annual projected turnover from Rs. 4 crore to Rs. 5 crore, enhancement in composite loan limit from Rs. 10 lakhs to Rs. 25 lakhs, raising of project cost limit under National Equity Fund Scheme from Rs. 25 lakhs to Rs. 50 lakhs, revision in eligible loan limit for coverage under Credit Gurantee Scheme from Rs. 10 lakhs to Rs. 25 lakhs etc. Further, in accordance with the announcement made in the Union Budget 2003-04, the Indian Banks' Association has advised all its member banks to adopt an interest rate band of 2 per cent above and below Prime Lending Rate (PLR) as announced by the State Bank of India.

Space science related export-import

†3085. SHRI P.K. MAHESHWARI: Will the PRIME MINISTER be pleased to state:

(a) the details of the space science related export and import;

(b) whether India is also helping some European countries in this sector; and

(c) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRI SATYABRATA MOOKHERJEE): (a) The space products and services exported by India includes satellite parts/subsystems, satellite and airborne remote sensing imagery, telemetry and tracking services for foreign satellites, leasing of transponders, launch services for satellites and technical consultancy services. The countries to which these are exported include USA, Europe, japan and othe Asian countries.

India imports space grade components, materials and parts mainly for satellites and launch vehicles from USA, Europe & Japan as it is not economically viable to produce them indigenously.

(b) and (c) Yes, Sir.

India has co-operative agreements with European Space Agency, France, Germany, Hungary, Italy, Netherlands, Norway, Russia, Sweden,

†Original notice of the question was received in Hindi.